WRITTEN ANSWERS TO STARRED QUESTIONS

Facilities to big companies in retail trade

†*321. SHRI JANESHWAR MISHRA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the facilities provided to the big companies of the world which run chains of malls in retail trade;

(b) the financial burden, Government will have to bear to provide these facilities;

(c) the measures taken by Government to check the monopoly of multinational and other big retail comanies in respect of local vegetables, fruits, grains, etc.; and

(d) how the small retail traders of the country would be provided relief by these measures?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) Government facilitates investments in the country through laying down liberal and transparent policy guidelines. With a view to catalysing investment in townships, and built-up infrastructure, the Government has allowed Foreign Direct Investment (FDI) up to 100% on the automatic route in construction development projects including construction of malls and shopping centres. As far as retail trading is concerned, the extant policy only permits FDI up to 51% with Government approval for retail trading of Single Brand Products subject to the brand being used internationally and the branding being at the manufacturing stage.

(b) Government encourages investments in the country through liberal policy measures and FDI policy which has no financial funding implications for the Government.

(c) and (d) As per extant policy, FDI up to 100% is permitted on the automatic route in Storage and Warehousing services including warehousing of agricultural products with refrigeration (cold storage). The policy also permits FDI upto 100% on the automatic route in the transportation sector

†Original notice of the question was received in Hindi.

including refrigerated trucks. As for trading sector, the policy allows FDI upto 100% on the automatic route in wholesale/cash & carry trading, export trading and trading of items sourced from small scale sector. The wholesale cash & carry trading includes business-to-business sales and institutional sales. Technical collaboration/trademark license agreements/ franchise arrangements in the retail sector are allowed on the automatic route, up to a certain level of lump sum payment and payment of a certain percentage of sales and exports as per the extant policy. Beyond the threshold, approval of Government is required. While the present policy permits FDI in sourcing and other back-end processing activities like storage, grading, sorting & packing and trading purely on wholesale basis i.e. business-to-business mode, it does not allow FDI in any retailing of products. Retailing of local vegetables, fruits, grains, etc. are, however, as per present policy, open to Indian companies without any FDI. Government has instituted a study on the impact of organised retail by the Indian Council for Research on International Economic Relations (ICRIER).

Objections to membership verification of Central Trade Unions

*322. SHRI TAPAN KUMAR SEN: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether some Central Trade Unions have raised objections to the verification process and have demanded a meeting of the Committee which was monitoring the work of verification of membership of Central Trade Unions;

(b) if so, the names of the organizations asking for such a meeting;

(c) whether Government convened such a meeting; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES): (a) Yes, Sir.

(b) and (c) Only Centre of Indian Trade Unions (CITU) has asked for such a meeting. The meeting of Standing Committee of Central Trade Unions on General Verification was convened on 12.3.2007.

(d) Does not arise.